

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 689-2013

Meeting Date: December 3, 2013

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AUTHORIZING A SUBLEASE OF MUNICIPAL**
4 **LEASED PROPERTY TO CABO COFFEE, LLC.**
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6 This ordinance authorizes a new sublease between the Municipality of Anchorage
7 (MOA) as Tenant and Cabo Coffee, LLC as Subtenant, for space on the first floor
8 of the City Hall Building located at 632 West Sixth Avenue, Anchorage, Alaska.
9 The previous sublease has expired, with the subtenant operating a coffee and
10 soup & sandwich shop on a month-to-month basis.
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12 A Request for Proposals (RFP 2013-PO19) was conducted by the MOA
13 Purchasing Department for a new City Hall sublease to operate a quick
14 coffee/espresso and sandwich/soup/salad shop in the 349 square foot space. On
15 October 11, 2013, the sublease was awarded by Purchasing to Cabo Coffee, LLC,
16 subject to Assembly approval.
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18 The MOA leases the entire City Hall Building until year 2026, and has obtained
19 permission from the Lessor (Anchorage Private Partnership, LLC) to sublease the
20 space to Cabo Coffee, LLC.
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22 The sublease rent rate shall be at fair market value as determined by the Real
23 Estate Services Division for the building space for a term of three years, with three
24 one-year options to extend.
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26 Initial rent rate will be \$2.44 per square foot per month during the first year, with an
27 increase of 3% each subsequent year.
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29 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

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31 Prepared by: Susie Paine, Land Management Officer
32 Approved by: Tammy R. Oswald, Real Estate Department Director
33 Concur: Dennis A. Wheeler, Municipal Attorney
34 Concur: George J. Vakalis, Municipal Manager
35 Respectfully submitted: Daniel A. Sullivan, Mayor